



City of Santa Barbara
Airport Department

DATE: February 18, 2009
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Concession Agreement – M/E, Inc.

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute an amendment to Concession Agreement No. 200744 with M/E, Inc., a California Corporation, for 700 square feet of the Airline Terminal, at 500 Fowler Road, at the Santa Barbara Airport, for a monthly rent based upon a percentage of gross receipts, commencing upon relocation from their current premises and ending June 30, 2010 or upon issuance of a Certificate of Occupancy for the new Airline Terminal, whichever occurs first.

DISCUSSION:

The subject Premises is located south of Hollister Avenue in an Airport Facilities (AF) zone.

M/E, Inc. has been an Airport Concessionaire since 1983, operating the newsstand and gift shop in the Airline Terminal. A local, woman-owned business, M/E, Inc. is certified as an FAA approved Disadvantaged Business Enterprise (DBE). In October 2007, the gift shop was relocated from the Terminal lobby to a portion of the Gates 8 & 9 holdroom to make space for Express Jet. Subsequent to the departure of Express Jet, Airport Staff and Concessionaire agree that moving the gift shop back to the lobby area will be beneficial to both M/E, Inc. and the Airport.

Since the relocation and reduction of space, M/E's gross sales have been reduced by approximately one-third. The lobby location contains approximately 262 square feet of additional floor space and is more visible to passengers. The percentage rent structure will remain the same in the new location.

This agreement will not carry over into the new Airline Terminal.

The proposed Concession Amendment Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division

ATTACHMENT: Map